

No. 8/1/DPM

Jakarta, 27 January 2006

CIRCULAR LETTER

To

ALL BANKS, MONEY MARKET BROKERS,

AND CAPITAL MARKET BROKERS

IN INDONESIA

Concerning : Amendment to Bank Indonesia Circular Letter Number 6/21/DPM dated 26 March 2004 Concerning The Procedures of Buying and/or Selling of Government Securities in Secondary Market by Bank Indonesia in Relation to Open Market Operation.

In order to improve purchase and or sale settlement of Government Securities (SUN) in the Secondary Market by Bank Indonesia in the framework of Open Market Operation, it is considered necessary to amend Bank Indonesia Circular Letter Number 6/21/DPM dated 26 March 2004 concerning The Procedures of Buying and/or Selling of Government Securities in Secondary Market by Bank Indonesia in Relation to Open Market Operation as follows :

1. Provisions item III.A.1.d are modified to be as follows:

d. On the...

- d. On the day of SUN auction, auction participants shall submit SUN auction bid to the Monetary Operation Bureau (Operational Team for Monetary Operation) – Directorate of Monetary Management of Bank Indonesia during the *window time* through the BI-SSSS facility.
2. Provisions item III.A.3.a, are modified to be as follows:
 - a. Bank Indonesia shall announce the result of SUN auction through the BI-SSSS or other facility as stipulated by Bank Indonesia on the day of SUN auction by no later than 17.00 hours Western Indonesia Time in the form of total auction quantity and the weighted average of auction winner's yield for each series.
3. Provisions item IV.3 are modified to be as follows:
 3. The settlement of SUN transaction shall be 1 (one) business day after transaction date (T + 1).
4. Provisions item IV.4 are modified to be as follows:
 4. In the event that the the selling Bank's SUN Account balance is insufficient for SUN settlement until the "*cut off warning*" of the BI-RTGS system, then the system will automatically cancel the SUN auction transaction in "*gross to gross*" manner.

Provisions in this Circular Letter shall start to take effect on 27 January 2006.

For the public to be informed, it is ordered that this Circular Letter be promulgated in the State Gazette of the Republic of Indonesia.

Please be informed accordingly.

BANK INDONESIA,

BUDI MULYA

DIRECTOR OF MONETARY

MANAGEMENT